

02 September 2024

EQR AND ELMET TECHNOLOGIES AGREE TO A STRATEGIC COLLABORATION AND LONG-TERM OFFTAKE CONTRACT

EQ Resources Ltd is a global tungsten producer with mining activities in Australia and Spain.

Highlights:

- Leading US-owned and fully integrated tungsten manufacturer, Elmet Technologies LLC, and EQR have agreed to a strategic collaboration involving a multi-year offtake contract the terms for which are outlined below
- Elmet Technologies investing A\$2.0 million in the form of an offtake advance payment, and parties continue discussions for Elmet Technologies to join EQR's register to further bolster the collaboration
- The parties have recorded intentions to:
 - enhance the global tungsten supply chain through combined offering of tungsten from Western raw material and manufacturing sources
 - jointly work on US Government programs and funding opportunities to enhance future development of critical materials supply and further downstream integration of EQR's tungsten concentrate

EQ Resources Limited (**EQR** or "**the Company**") is pleased to announce that it has agreed to a strategic collaboration involving a multi-year offtake agreement (**Agreement**) with leading US-owned and fully integrated tungsten manufacturer Elmet Technologies LLC (**Elmet**). EQR and Elmet agreed to collaborate, leveraging their respective experience and expertise in mining, minerals processing and downstream tungsten manufacturing for the mutual benefit of both parties, and work collaboratively to develop and enhance the global tungsten supply chain.

As part of the Agreement, a basic framework has been agreed in which Elmet is to purchase from EQR tungsten concentrate with an estimated value of A\$30 million (at current market prices) over a 5-year period. Elmet is to secure the offtake allocation through an advance payment of A\$2.0 million to EQR.

In recognition of the parties' intent to collaborate and jointly pursue efforts to work on US Government programs and funding opportunities, EQR will grant Elmet 20,000,000 options with an exercise price of A\$0.10, and an expiry date of 2 years.

EQ Resources Chief Executive Officer, Kevin MacNeill, commented: "We are extremely pleased to extend our industry relations with Elmet Technologies. Through Elmet, we found a partner that shares ambitions with regards to the development of sustainable and resilient supply chains for critical raw materials. EQ Resources' rapidly growing tungsten mines in Australia and Spain will provide Elmet with the improved industrial resiliency to support their mission critical US defense customers."

"We trust this strategic collaboration will secure support from end-users in the tungsten space and we plan to continue to develop these types of relationships and alliances, as outlined in our strategy statements. Raw material security has become a top priority, geopolitically and in many board rooms around the world and investing in sustainable mining in Australia and Spain provides a unique market solution."

As an expert in tungsten manufacturing, Elmet Technologies is the leading and only 100% US-owned producer of pure tungsten and related tungsten alloys, such as tungsten lanthanum (W-La), potassium doped tungsten (W-K), tungsten rhenium (WRe), and tungsten heavy alloy (WHA). Through unique processes, these materials are pressed, sintered, swaged, and forged into rod, drawn into fine wire, hot-rolled into plate, sheet and foil, along with several other specialty processes that support the most mission critical defense, aerospace, medical, industrial, and semiconductor segments.

Elmet Technologies' Chief Executive Officer, Peter Anania, commented: "This strategic collaboration with EQ Resources provides our tungsten customers in defense, aerospace, medical, and semiconductor with increased supply-chain resiliency, which is aligned with our steadfast support of the U.S. defense industrial base. Over the past five years, Elmet and the U.S. Department of Defense have worked together to improve tungsten industrial base resiliency through special Government programs including the DoD's Industrial Base and Sustainment (IBAS) office and the ARMY's MANTECH initiatives. With an increasing focus on critical materials used for defense applications, securing long term access to high quality tungsten concentrate was a strategic imperative for our business. This collaboration with the fastest growing Western tungsten mining group, having active mines in both Australia and Spain, will ensure our ability to support the growing demand for our materials, particularly in the U.S. and Western countries."

The parties have agreed to execute definitive agreements within the next four weeks.



About Elmet Technologies

Elmet Technologies is the only U.S.-owned and operated, fully integrated tungsten and molybdenum manufacturer. Its corporate headquarters is in Lewiston, Maine, USA. With its 2023 acquisition of H.C. Starck Solutions Americas, Elmet is now the largest US-owned producer of tungsten and molybdenum materials and products, with nearly 400 employees across three world-class facilities totalling over 500,000 square feet in Maine, Ohio, and Michigan, USA. Its core products include several forms of tungsten, molybdenum, and their various alloys, including foil, sheet, plate, rod, blocks, bars, powder, cubes, spheres, and more. The latest investments at Elmet Technologies include tungsten sphere and cube fragmentation production in Lewiston, Maine, USA, a new multi-million dollar tungsten reduction furnace in Coldwater, Michigan, USA, and new tungsten plate rolling/fiber laser cutting technology in Euclid, Ohio, USA.

Since 1929, Elmet has been proudly servicing its customers and applications including defense, aerospace, medical, semiconductor, industrial furnace, and more. Elmet Technologies' three world-class manufacturing facilities each fabricate materials to its global customers' most exacting specifications. Elmet is ISO9001, AS9100, and ITAR registered.

Learn more: www.elmettechnologies.com

Released on authority of the Board by:

Kevin MacNeill
Chief Executive Officer

Further Enquiries:

Peter Taylor
Investor Relations
0412 036 231
peter@nwrcommunications.com.au

About the Company

EQ Resources Limited is a leading tungsten mining company dedicated to sustainable mining and processing practices. The Company is listed on the Australian Securities Exchange, with a focus on expanding its world-class tungsten assets at Mt Carbine in North Queensland (Australia) and at Barruecopardo in the Salamanca Province (Spain). The Company leverages advanced minerals processing technology and unexploited resources across multiple jurisdictions, with the aim of being a globally leading supplier of the critical mineral, tungsten. While the Company also holds gold exploration licences in New South Wales (Australia), it aims to create shareholder value through the exploration and development of its current project portfolio whilst continuing to evaluate corporate and exploration opportunities within the new economy and critical minerals sector globally.

Forward-looking Statements

This announcement may contain forward-looking statements. Forward-looking statements address future events and conditions and, therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this announcement include risks associated with planned production, including the ability of the Company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates. Neither the Australian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Australian Securities Exchange) accepts responsibility for the adequacy or accuracy of this announcement.

Follow us:  